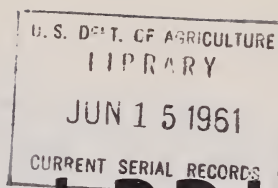


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April 1961
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The DEMAND and PRICE SITUATION

DPS-76

AGRICULTURAL SITUATION AND OUTLOOK FOR 1961

Approved by the Outlook and Situation Board, April 20, 1961

The outlook for farm income and farm product prices for 1961 now seems more favorable than anticipated last fall. Cash receipts from marketings are expected to be higher, largely due to increased price supports for major 1961 crops and dairy products. Prices of meat animals are likely to average about the same as in 1960. The volume of farm marketings is expected to continue large. Although output of feed grains likely will be reduced under the 1961 special program for feed grains, combined output of farm products may continue near record levels if growing conditions do not fall below average. Farm product prices in January-March averaged about 3 percent above the relatively low prices of a year earlier. For 1961 as a whole, prices received by farmers are expected to average a little above 1960. The ratio of the index of prices received to prices paid including interest, taxes and wage rates--the parity ratio--was 80 in March, the same as a year earlier; it probably will continue fairly stable again in 1961.

Domestic demand for food and fiber is expected to continue high in the coming year. Population is increasing by about 3 million persons a year. In addition some pickup in economic activity is expected to lead to higher consumer incomes. Agricultural exports are a little larger than anticipated earlier and in 1960-61 are expected to exceed the record value of 1956-57. Large exports of cotton, wheat, and fats and oils are contributing to record shipments abroad.

(Continued on page 3)



Growth Through Agricultural Progress

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UNITED STATES DEPARTMENT OF AGRICULTURE

ECONOMIC FACTORS AFFECTING AGRICULTURE

Item	Unit or base period	1960			1961		
		Year	Mar.	Dec.	Jan.	Feb.	Mar.
Industrial production, seasonally adj. <u>1/</u>	1957=100	108	109	103	102	102	102
Final products	do.	111	110	108	107	107	107
Consumer goods	do.	115	113	112	110	110	111
Autos	do.	117	113	97	78	73	71
Equipment, including defense	do.	103	104	101	100	99	98
Materials	do.	106	108	99	98	98	99
Construction: <u>2/ 3/</u>							
Total outlays	Mil. dol.	55,173	54,419	56,135	55,262	54,536	54,701
Public construction	Mil. dol.	16,244	15,156	17,537	17,452	17,288	17,122
Private residential	Mil. dol.	22,024	22,392	21,490	20,338	19,671	19,919
Housing starts	Thousands	1,240	1,098	970	1,078	1,136	1,253
Manufacturers' sales and inventories: <u>2/</u>							
Total sales, seasonally adjusted	Mil. dol.	30,417	30,840	29,140	28,670	28,980	
Durable goods	Mil. dol.	14,692	15,170	13,620	13,170	13,280	
Unfilled orders-sales ratio <u>4/</u>		3.17	3.05	3.15	3.23	3.23	
Inventory-sales ratio, total <u>5/</u>		1.77	1.76	1.84	1.87	1.85	
Durable goods		2.10	2.09	2.27	2.34	2.31	
Employment and wages: <u>6/</u>							
Total civilian employment	Millions	66.7	64.3	66.0	64.5	64.7	65.5
Nonagricultural	do.	61.0	59.7	61.1	59.8	59.9	60.5
Unemployment	do.	3.9	4.2	4.5	5.4	5.7	5.5
Workweek in manufacturing	Hours	39.7	39.7	38.8	38.8	38.9	39.1
Hourly earnings in manufacturing	Dollars	2.29	2.29	2.32	2.32	2.31	2.32
Income and spending:							
Personal income <u>2/ 3/</u>	Bil. dol.	404.2	397.0	406.9	406.6	406.2	409.6
Consumer credit outstanding <u>1/</u>	Mil. dol.	56,049	51,298	56,049	55,021	54,102	
Automobile	Mil. dol.	17,866	16,826	17,866	17,611	17,383	
Total retail sales, seasonally adj. <u>2/</u>	Mil. dol.	18,319	18,234	17,977	17,773	17,913	18,097
Durable goods	Mil. dol.	5,928	5,937	5,561	5,359	5,384	5,507
Inventory-sales ratio <u>5/</u>		1.39	1.38	1.42	1.39	1.39	
Prices: <u>6/</u>							
Wholesale prices, all commodities	1947-49=100	120	120	120	120	120	120
Commodities other than farm and food	do.	128	129	128	128	128	128
Farm products	do.	89	90	89	90	90	90
Foods processed	do.	108	107	109	110	110	110
Consumer price index, all items	do.	126	126	128	127	128	
Food	do.	120	118	121	121	121	
Prices received by farmers <u>7/</u>	1910-14=100	238	241	241	241	244	243
Crops	do.	221	222	218	218	221	224
Livestock and products	do.	252	257	261	261	263	259
Prices paid, interest, taxes and wage rates <u>7/</u>	1910-14=100	299	300	298	301	302	302
Family living items	do.	290	289	291	291	291	290
Production items	do.	265	267	265	267	267	268
Parity ratio <u>7/</u>		80	80	81	80	81	80
Farm income and marketings: <u>7/</u>							
Volume of farm marketings	1947-49=100	132	98	143	143	104	103
Cash receipts from farm marketings	Mil. dol.	33,746	2,150	3,121	3,065	2,287	2,300

Annual data for most of these items for years 1929, 1939, 1941 and 1947-60 appear on page 41 of this issue.

1/ Federal Reserve Board. 2/ U. S. Department of Commerce. 3/ Seasonally adjusted annual rates.
4/ Unfilled orders for durables divided by monthly deliveries. 5/ Inventories, book value, end of month, divided by sales. 6/ U. S. Department of Labor. 7/ U. S. Department of Agriculture, Agricultural Marketing Service.

THE DEMAND AND PRICE SITUATION

Approved by the Outlook and Situation Board, April 20, 1961

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AGRICULTURAL SITUATION AND OUTLOOK FOR 1961

Agricultural Outlook

Cash receipts from farm marketings in the first quarter were about 10 percent above a year earlier and for 1961 as a whole, gross income from sales and Government payments, including payments under the 1961 feed grain program, is expected to exceed 1960 by about \$1½ billion. Increased cash receipts for crops in 1961 are expected primarily from cotton and oil crops, reflecting higher support levels and larger marketings. Payments to cooperators for reduced acreage under the special feed grain program are also expected to add materially to farmers' gross receipts. Some increase in cash receipts for livestock products is indicated for 1961, reflecting larger receipts from meat animals, mostly cattle and calves, and from dairy products. Although production expenses are expected to increase some in 1961, realized net farm income available to farm operators, which totaled \$11.6 billion in 1960, will increase in 1961--possibly by around a billion dollars or more, an increase of about 10 percent.

A continued large supply of farm products is in prospect for 1961. Farm output is likely to be around record rates again in 1961 and carryover stocks of wheat and feed grains are record large. The 1961 all wheat crop may total 1.3 billion bushels, based on seeding intentions for spring wheat and the estimated winter wheat crop. Feed grain planting intentions on March 1 were reported to total 149 million acres, 1 percent less than in 1960. Intentions, however, were reported before enactment of the 1961 feed grain program. Consequently, growers' early season plans may be subject to greater than usual

changes. Acreage intentions for soybeans showed a rise of 2.2 million acres, reflecting strong price prospects. Sugar beet acreage is expected to be up 11 percent as allotments were lifted for the 1961 crop. The burley tobacco acreage allotment was increased by 6 percent and the acreage allotment for 1961 crop cotton was increased from 17.4 million to 18.4 million acres.

Output of livestock and livestock products is likely to increase again this year, extending the uptrend of 1959 and 1960. Further increases in marketings of cattle and calves are in prospect but hog marketings may not reach the level of 1960. So far this year hog slaughter is well below a year ago, but the spring pig crop may be up as much as 5-7 percent from 1960. Milk production is expected to continue to rise this year, and production of eggs, broilers, and turkeys is also likely to exceed 1960.

The 1961 price outlook for farm products appears more favorable now than last fall, particularly for crops. Higher support prices have been announced for feed grains, cotton, dairy products, rice, peanuts, soybeans and other oilseeds, and several minor products. In addition, the price outlook for livestock and livestock products this year is much the same as last, and prices for soybeans have increased sharply. For the first quarter of 1961 prices received by farmers averaged 3 percent higher than a year ago. This increase over last year may narrow some, but for the year as a whole farm product prices are expected to average somewhat above a year ago. Farm product prices in 1960 averaged 238 percent of the 1910-14 average, almost as high as in 1959. In January-February of 1960 the index of prices received averaged 232 (1910-14=100), but as the year progressed prices strengthened due largely to reduced marketings and higher prices for hogs and eggs.

Hog prices in mid-March 1961 averaged \$17.10 per hundredweight, \$2.00 above the year ago. Prices probably will continue relatively favorable until around midyear. During the fall price decline, prices may drop below the relatively high levels that prevailed in the fall of 1960. Prices for cattle throughout 1961 probably will not average greatly different from 1960. Dairy product prices in 1961 most likely will average above the 1960 levels, reflecting higher support prices for manufacturing milk and butterfat. Egg prices this spring are below corresponding 1960 prices and probably will continue to average somewhat below the corresponding 1960 level as supplies increase relative to a year ago. Prices for broilers and turkeys in 1961 are also expected to average below 1960 as larger supplies are marketed.

Prices received by farmers for crops in 1961 most likely will average higher than estimated last fall due primarily to the higher support levels recently announced for a number of major commodities. Producers of corn and grain sorghums cooperating in the 1961 feed grain program are eligible for price support on corn at \$1.20 per bushel and on grain sorghums at \$1.93 per hundredweight. The support rate for 1960 crop corn was \$1.06 and for grain sorghums \$1.52. Cooperating producers are eligible also for higher supports on barley, oats, and rye. The special feed grain program and the degree of participation in the program will be an important influence on prices in the latter part of 1961. Wheat prices may continue close to 1960 levels: Supplies continue

record large but the "advance" minimum national average support price for 1961 crop wheat is the same as for 1960. Supports for 1961 crop soybeans were raised to \$2.30 per bushel from \$1.85 for last year's crop and cottonseed supports were set at \$49.00 per ton (loan rate), compared with \$38.00 for the 1960 crop. The price support level for the 1961 crop of upland cotton was announced at a minimum of 33.04 cents per pound for Middling 1-inch cotton at average location. This compares with the Choice A support for the 1960 crop of 32.42 cents per pound and the Choice B level of 26.63 cents per pound. Market prices for cotton have increased some since the February announcement of the higher price support level for the 1961 crop. Little change in tobacco prices from a year ago are in prospect.

Somewhat higher farm production expenses in prospect for 1961 will offset a small part of the indicated increase in farmers' gross receipts. During the first quarter of this year prices paid by farmers for production items including interest, taxes and wage rates averaged 1 percent above a year earlier, and they will likely continue higher than 1960 for the remainder of 1961. Expenditures for feed and livestock may be above 1960. Feed grain prices during 1961 are expected to average close to a year earlier but protein and by-product feed prices will likely rise some from 1960 levels. Feed purchases are expected to be larger in 1961 as production of livestock products increase. Prices of feeder livestock for the year as a whole may average little different from 1960, but the volume of purchases is expected to increase. Charges for taxes and interest also will increase. With prospects for some rise in prices of products of nonfarm origin, many miscellaneous production expense items are expected to be higher in 1961.

Exports of agricultural commodities in fiscal year 1960-61 are likely to total well above the \$4.5 billion of 1959-60. So far in 1960-61, shipments of cotton and wheat in particular, as well as tobacco, soybeans, and some livestock products are larger than in fiscal year 1959-60, and export prices are higher for major items, excluding grains. Agricultural exports in the second half of 1961 are expected to continue at about the current rate, but some firming of prices since 1960 may raise the value of exports in calendar year 1961 somewhat above the \$4.8 billion recorded during the past calendar year. The proportion of agricultural exports moving with Government assistance is likely to increase, due to a step-up in P. L. 480 exports.

General Economic Conditions

Economic activity in the last half of 1960 receded from the record high level attained in the spring of 1960. Major factors were: A change in inventories from a large rate of accumulation to a moderate liquidation; a continuing decline in private residential construction; and a fall-off in business capital spending late in the year. However, by March 1961 there was some pickup in economic activity and it now appears that economic forces point toward expansion in coming months.

Developments in the private investment sector were largely responsible for the decline in economic activity. Inventories were accumulated at a rapid rate in the first half of 1960, reflecting partly a rebuilding of stocks of steel and steel products depleted during the 1959 steel strike. However, the rate of buildup was excessive in relation to final demand and in order to work down inventories business reduced its demand for goods. After increasing at a \$8.3 billion rate in the first half of the year, the value of business inventories was reduced at an annual rate of \$3 billion in the last quarter. This net swing of more than \$11 billion in inventory demand largely accounts for the decline in industrial production since midyear of 1960. From the record high of 111 percent of the 1957 average reached in January 1960, the Federal Reserve Board's index of industrial production apparently bottomed out at 102 in the first quarter of 1961. Most of the decline during the past year was centered in durable goods' output.

Complementing the inventory changeover in 1960 was a slowdown in construction. Total new construction expenditures totaled \$55 billion, 2 percent below the 1959 record high. Public construction outlays were down fractionally and private outlays declined $2\frac{1}{2}$ percent. Outlays for residential nonfarm construction have trended downward since early 1959, owing substantially to a tight mortgage credit situation during 1959 and through most of 1960. The value of work put in place in 1960 receded from the first quarter to the fourth by about 6 percent. The decline in housing starts was even sharper than that in value of work done. Private nonfarm housing starts, which were at a record seasonally adjusted annual rate of about 1,599 thousand units in April 1959, dropped to an average of 1,319 thousand units in January-February 1960 and were down to an average 1,025 thousand units in January-February of this year. Current housing starts rose in March to a rate of 1,253 thousand units.

With investment in inventories and construction lagging, industrial production, employment, and hours worked declined and unemployment rose. These cutbacks led to a tapering in the income flow to consumers. Personal income was at a seasonally adjusted annual rate of \$395.7 billion in January of last year. Thereafter, incomes rose, but at a slackening rate, to a record \$409.7 billion rate in October. By January-February 1961 personal income had declined to \$406.4 billion, about 1 percent below October's level but still 3 percent higher than in the first two months of 1960. In March, however, personal income rose to a \$409.6 billion rate, reflecting some increase in economic activity and early payment of Veteran's Life Insurance dividends.

As the economy leveled off in the spring of 1960, monetary policy gradually changed from restraint to ease. By midyear short-term interest rates had declined sharply, owing in part to the turnabout in the Federal Government's financial position. In terms of the national income accounts, there was a surplus of \$5.2 billion (seasonally adjusted annual rate) in the first half of 1960 as contrasted with a deficit of \$2.1 billion in the last half of 1959. This turn from a deficit to a surplus in 1960 had a dampening effect on the economy in general. Beginning in March 1960, growing monetary ease was reflected in a progressive decline in reserves borrowed from Federal Reserve Banks and a rise in total bank reserves. In addition, the downward trend in the money supply was reversed after midyear.

The demand for credit also eased as economic activity turned down in the last half of 1960. Total credit extended in 1960, estimated at \$37 billion, dropped sharply from the \$61 billion in 1959. Lower volume of Federal Government financing was the cause of about half the decline. Other causes were lower mortgage loan activity, a slackening in the rise in consumer credit, and reduced State and local Government and corporate borrowing. Consumer credit outstanding increased by $7\frac{1}{2}$ percent during 1960 whereas it had increased more than 14 percent during 1959. Automobile installment paper outstanding rose about 8 percent during the year, compared with a 16 percent rise during the year earlier. Money and credit markets continued easy in early 1961.

Relatively low short-term interest rates in most of 1960 contributed to a large outflow of gold from the United States. During the first months of 1961, however, the balance of payments improved considerably from fourth quarter 1960. The gold outflow declined rapidly in February and in early April the United States gained gold, partly reflecting an abatement in short-term capital outflow due to adjustment in relative interest rates and some exchange rates.

Some expansion in economic activity is in prospect for 1961 as the year progresses. Increases in Government expenditures and consumer buying are expected to stimulate inventory demand and accelerate expansion in business activity from the first quarter low. As recovery gains momentum, there will likely be a rise after midyear in residential construction and business investment in new plant and equipment. Personal income has bottomed out and will continue rising as production and employment pick up.

Government purchases of goods and services are expected to increase throughout 1961 and may average around 6 percent above the \$100 billion level of 1960. Obligations by the Defense Department increased in the last half of 1960 and scheduled obligations for fiscal year 1961 point to a sharp step-up in expenditures in coming months. Revised Federal budget estimates for fiscal year 1962 point to a rise of more than 4 percent from fiscal year 1961 with national security outlays up about 3 percent. Expenditures by State and local Governments in the fourth quarter of 1960 were about 11 percent above a year earlier. These outlays are expected to continue to rise with increased expenditures for schools, roads, and other local facilities as well as higher employee compensation. In calendar year 1961 these expenditures are estimated by the Commerce Department to reach \$51 billion, up $\$3\frac{1}{2}$ billion from a year ago.

Consumer expenditures for soft goods and services are likely to increase, particularly for food. Expenditures for food totaled \$70.9 billion in 1960, an increase of 3.3 percent from 1959. In the first quarter of 1961 retail food store sales were running about 3 percent above the year earlier. Expenditures for durables are expected to pickup during 1961, but may average for the year about the same as in 1960. The Federal Reserve Board's Survey of Consumer Buying Intentions in early 1961 indicated about the same proportion of consumers as a year earlier were planning to buy both new and used automobiles within the next six months. A substantially smaller proportion than a year

earlier reported plans to buy major household appliances. Auto sales in January-February 1961 were about a third below October, the beginning month of volume production on 1961 models, and 22 percent below a year ago. Sales rose in March and early April but were still below year-ago levels. Retail sales by furniture and appliance stores showed a downtrend through most of 1960. In the first three months of the year they averaged 9 percent below a year ago, partly reflecting the slowdown in private residential construction.

Outlays for new private construction may rise from the 1960 level with easier purchase terms and mortgage funds made more readily available. Current high vacancy rates, however, will tend to hold down somewhat new starts of single and multi-units. Total private nonfarm housing starts in 1961 are expected to increase this year from the reduced levels of the past 6 months, but for the year as a whole starts may total around the 1,250 thousand units started in 1960.

Producers' investment decisions are likely to be favorably influenced by the expected pickup in consumer expenditures and a turnabout from inventory liquidation to some buildup later in the year. The recent SEC-Commerce survey indicates that businessmen plan to spend for new plant and equipment in 1961 about 3 percent less than last year. Durable goods industries anticipate a 7 percent reduction while nondurable goods manufacturers expect a rise of less than 2 percent in capital outlays. Among nonmanufacturing firms, only public utilities expect to increase outlays; mining, railroad, nonrail transportation, and trade firms plan declines in capital expenditures. Businessmen anticipate a continuation through the second quarter 1961 of the decline in investment which began in the third quarter of 1960, but some increase is indicated for the latter half of the year. Businessmen expect their sales in 1961 to rise from those of 1960. Though the expected increase from 1960 is modest, sizable increases are implied from the reduced sales rate in January 1961, especially for many durable goods industries.

With major sources of demand pointing to an upturn in economic activity, employment is expected to rise. However, with the labor force expanding at a faster rate than in recent years, the number of people out of work may remain well above the levels in other recent expansion periods.

U. S. exports are expected to continue large in 1961. Contributing to large exports is a continued expansion in agricultural exports. With an expected rise in domestic economic activity, imports may also pick up. For the year as a whole, the expected favorable trade balance, an abatement of speculative short-term capital outflows, and increased earnings from overseas investment point toward a sharp reduction from 1960 in the U. S. balance of payments deficit.

Commodity Highlights

Cattle prices in 1961 are expected to average close to a year earlier and hog prices for the year as a whole may average somewhat above 1960. Hog

slaughter during the first 3 months of 1961 was about 10 percent smaller than a year earlier, but after midyear it will probably rise above year-ago levels and for 1961 as a whole be close to 1960.

Both milk production and prices received by farmers are expected to be higher in 1961 than 1960, as current milk-feed price relationships are favorable for an expansion in output and support prices for milk have been increased.

Egg prices in April fell below year ago levels after averaging higher in the first quarter of 1961 than in 1960. Large-scale breaking of eggs is underway and this demand may hold prices at or above current levels for the remainder of the spring. A 29 percent increase in hatchings since January 1 point to a larger egg supply this fall than last.

Inspected slaughter of broilers through early April has been 14 percent above last year and this rate will likely increase. With a rising supply, prices during recent weeks have sagged from the high level reached in early March. Turkey production also is above 1960, and will likely continue so into the fall. Present prices are several cents below a year ago.

Soybean prices have advanced over \$1.00 a bushel between October 1960 and mid-April 1961. Prices at Chicago (No. 1 yellow) averaged 40 cents a bushel higher than in the corresponding period last year. Prices of food fats and oils this spring and summer are expected to continue strong, averaging well above last year.

Prices of feed grains dropped rather sharply in the last half of March after advancing more than seasonally since last fall. Prices probably will continue below a year earlier this spring and summer. In the last quarter of 1961 they probably will average higher than in the same quarter of 1960 when they were the lowest since World War II.

Cash wheat prices have declined generally, except spring wheat, from the season highs reached in late January and early February. As a result of increased free-market supplies, the seasonal decline this year has occurred earlier than usual. The winter wheat crop was estimated on April 1 at about 1.1 billion bushels, nearly 2 percent below the huge 1960 crop but still the third largest on record.

Total production of 18 spring crop vegetables for fresh market is expected to be about 8 percent smaller than last spring. These crops typically make up about three-fourths of total spring tonnage, excluding melons. Remaining supplies of canned vegetables are significantly smaller than a year earlier, but all major frozen items, except green peas, are in ample supply.

April 1 prospects for Southern States' peaches pointed to another good crop this year. Prospective acreage of strawberries in the mid-spring and late-spring states is nearly as large as the acreage harvested last year.

Prices of fall crop potatoes during the next few weeks are likely to continue at relatively low levels, particularly in the East. Remaining supplies of fall crop potatoes appear to be somewhat larger than a year ago, and indi-

cated production of early spring potatoes is up about a fifth. Smaller remaining supplies of sweetpotatoes are expected to continue to move at prices considerably above those of a year earlier.

The Department of Agriculture in early April announced a National average support price for 1961 crop dry beans of \$6.32 per 100-pound bag, a rise of 97 cents from the 1960 crop support level.

The cotton carryover at the end of this marketing year is expected to be about the same as the 7.6 million bales a year earlier. Disappearance is estimated at about 14.5 million bales, down 1.7 million bales from a year ago, with both exports and mill consumption in 1960-61 below 1959-60 levels. Average prices received by farmers for upland cotton rose between mid-February and mid-March to a level only .05 cents below a year ago.

Prices received by domestic producers of wool thus far in 1961 have averaged 5 to 10 percent less than a year earlier. The price of shorn wool is likely to rise some between now and mid-summer, because of an anticipated mid-year increase in mill demand.

Demand for cigarette tobaccos is expected to continue strong in the coming season; cigarette output will likely reach a new high in 1961. Exports of unmanufactured tobacco in 1961 may be a little below those of 1960. The stocks position in some major importing countries is improved and production in competitive foreign areas is rising.

Highlights of New Feed Grain Program

The 1961 Feed Grain Program, (Public Law 5, 87th Congress) was signed by the President on March 22. This law provides that, in order to be eligible for price support on any of their 1961 feed grain crops, farmers who produced corn or sorghum grains in 1959 and 1960 must participate in a special agricultural conservation program for this year. Producers of other feed grains than corn and grain sorghums will receive support for their crops. Price support for corn and sorghum grains will be limited to the normal production from the 1961 acreage of these crops based on the average yield per acre on the 1959 and 1960 acreage of each eligible farm.

Participants will reduce their acreage planted to corn and sorghum grains by at least 20 percent from their average acreages for 1959 and 1960. Payments-in-cash or in-kind will be made for this diverted acreage at the basic county support rate on an amount equal to 50 percent of the normal production on the diverted acreage based on each farm's average yield in 1959 and 1960. Participants may divert up to an additional 20 percent of their corn and sorghum grain acreage and receive payments-in-kind at the basic county support rate on the amount equal to 60 percent of normal production on such additional diverted acreage.

Table 1.--Comparison of average prices received by farmers with parity prices and support prices, selected commodities, 1960 and 1961

Commodity	Unit	Seasonal average price			Support price		March 15, 1961	
		1959-60	1960-61	1961 crop	1960 crop	1961 crop	Average price received	Parity price
Food grains:								
Wheat	Dol. per bu.	1.76	1.75	1.78	1.78	1.78	1.80	2.39
Rice (rough)	Dol. per cwt.	4.59	4.59	4.42	4.42	4.71	4.95	6.04
Feed grains:								
Corn	Dol. per bu.	1.04	.959	1.06	1.06	1.20	1.01	1.62
Oats	Dol. per bu.	.648	.613	.50	.50	.62	.593	.843
Barley	Dol. per bu.	.859	.843	.77	.77	.93	.847	1.25
Rye	Dol. per bu.	.993	.870	.90	.90	1.02	.845	1.48
Grain sorghums	Dol. per cwt.	1.54	1.46	1.52	1.52	1.93	1.52	2.48
Oilseeds:								
Cottonseed	Dol. per ton	38.80	42.60	38.00	38.00	49.00	44.80	62.80
Soybeans	Dol. per bu.	1.96	2.00	1.85	1.85	2.30	2.68	2.90
Peanuts	Ct. per lb.	9.56	10.0	10.1	10.1	11.05	10.8	13.0
Flaxseed	Dol. per bu.	3.00	2.66	2.38	2.38	2.80	2.68	3.81
Butterfat	Dol. per lb.	.591	1/	.596	.596	.604	.603	.749
Cotton:								
American upland	Ct. per lb.	31.56	2/ 31.00	3/ 28.97	3/ 28.97	33.04	28.37	38.96
Tobacco:								
Flu-cured	Ct. per lb.	58.3	60.4	55.5	55.5	55.5	1/	64.9
Burley	Ct. per lb.	60.4	64.3	57.2	57.2	57.2	1/	68.9
Dry edible beans	Dol. per cwt.	7.03	7.06	5.35	5.35	6.32	7.01	9.03
Wool (grease basis)	Ct. per lb.	43.3	43.2	.62	.62	.62	.402	75.2

1/ Not available.

2/ Average price to December 1, 1960.

3/ Purchase price for choice A cotton. Choice B loan rate is 23.18 cents.

Where abnormal factors affected acreage and yields in 1959 and 1960 adjustments will be made in computing payments. Payments-in-kind will be in the form of negotiable certificates redeemable by the Commodity Credit Corporation. Storage costs and carrying charges as determined by the Secretary of Agriculture will be assessed against certificates not redeemed within 30 days after they are issued. Public Law 5 also requires the Secretary of Agriculture to set the support rate for 1961 crop corn at not less than 65 percent of parity. The announced minimum loan rate of \$1.20 per bushel is equal to 74 percent of the parity price in March.

GENERAL DEMAND CONDITIONS

The moderate decline in economic activity during the last half of 1960 and early 1961 had apparently ended during the first quarter of 1961. A number of important indicators, such as new orders of durable goods manufacturing firms, dealer sales of new autos, and production rates of durable goods, moved up during March and early April.

Table 2.-- Gross national product and disposable personal income,
by quarters, 1960 and 1961

(Billion dollars, seasonally adjusted annual rates)

Item	1960					1961
	I	II	III	IV	Total	I ^{1/}
Gross national product	501.3	505.0	503.5	503.5	503.2	499.5
Personal consumption expenditures	323.3	329.0	328.3	330.8	327.8	329.0
Durable goods	44.2	44.5	42.7	43.2	43.6	39.5
Nondurable goods	150.5	153.5	152.7	152.9	152.4	153.0
Services	128.6	130.9	132.9	134.7	131.7	136.5
Gross private domestic investment	79.3	75.5	70.8	66.0	72.8	61.0
New construction	40.8	40.7	40.5	40.3	40.4	39.1
Residential	21.4	21.3	21.1	20.5	21.1	19.1
Other	19.3	19.4	19.5	19.8	19.3	20.0
Producers' durable equipment	27.1	29.5	29.7	28.7	28.8	26.4
Change in business inventories	11.4	5.3	.6	-3.0	3.6	-4.5
Net exports of goods and services	1.2	2.0	3.7	4.6	3.0	5.0
Government expenditures for goods and services	97.5	98.6	100.7	102.1	99.7	104.5
Federal	51.8	51.7	52.7	53.3	52.4	54.5
National defense	44.9	44.7	45.1	45.7	45.1	47.0
State and local	45.7	46.9	48.0	48.8	47.3	50.0
Disposable personal income	347.0	354.1	357.5	358.1	354.2	357.1

^{1/} Preliminary estimates by Council of Economic Advisers.

Department of Commerce, except as noted.

Consumer Incomes and Spending

As in other post World War II periods of economic recession, personal income in late 1960 and early 1961 registered a relatively small decline-- from a \$409.7 billion seasonally adjusted annual rate in October to \$406.2 in February. Declines in activity in commodity producing industries (manufacturing, construction, and mining), resulted in a drop in wage and salary payments of nearly $1\frac{1}{2}$ percent between October and February. Payments to employees in trade declined a little, while those working in Government and service establishments rose. Business and professional incomes declined slightly, but farm proprietors' income rose with some improvement in prices and cash receipts from marketings. Rental, dividend and personal interest income, sources that are relatively insensitive to small declines in economic activity, held steady. Part of the drop in wage and salary payments was compensated for by higher unemployment insurance benefit payments. These increased at an annual rate of about \$1 $\frac{1}{2}$ billion between the second and fourth quarters of 1960. In March personal income at \$409.6 billion was up \$3.4 billion from February and 3 percent above a year ago. Partly responsible for the increase was early payment of National Service Life Insurance dividends to veterans. Wage and salary payments were also higher.

Disposable personal income--personal income less income taxes--ran at an annual rate of \$357.1 billion during the first quarter of 1961, a little lower than during the last half of 1960. With population growing at the rate of about 3 million a year, and with consumer prices continuing to creep upward, real per capita disposable income declined about $1\frac{1}{2}$ percent between the third quarter of 1960 and the first quarter of 1961 and was about equal to a year ago. Declining real per capita income and uncertainty about job and income prospects contributed to the high proportion of savings by consumers and to their reluctance to make extensive purchases of durable goods. The current personal saving rate of 7.9 percent of personal disposable income is above the rates in the last half of 1959 and early 1960.

Personal consumption expenditures in the first quarter of 1961 were off a little from the preceding quarter, but 2 percent above a year ago. These expenditures accounted for over 90 percent of consumer incomes after taxes, and in the first quarter of 1961 were at a rate of \$329.0 billion. Consumer purchases in January and February were adversely affected by severe winter weather over much of the Nation, but purchases of both durable and nondurable goods have picked up recently.

About the same proportion of consumers in early 1961 as in early 1960 reported plans to buy new and used cars within the next six months, according to the January Survey of Consumer Buying Intentions conducted for the Board of Governors of the Federal Reserve System by the Bureau of the Census. But the number of consumers planning to buy major household durable goods and houses during the next six months was lower than early 1960. The proportion of consumers reporting higher income was less in early 1961 than a year earlier. The number who expected their incomes to increase in 1961 was about the same as the number reporting in 1959 and 1960. With prospects for a modest rise in consumer incomes, consumer spending for the rest of 1961 is expected to pick up.

Durable Goods Spending Down

Purchases of durable goods in the first quarter at \$39.5 billion annual rate were down 9 percent from the fourth quarter and 11 percent below a year earlier. Sales of household furnishings and equipment continued to decline in the first quarter and retail sales of the furniture and appliance stores were 11 percent below a year ago. The low level of housing completions in late 1960 tended to hold down major appliance sales. Dealer sales of new autos rose sharply in October, then declined until late February. In March dealer sales were about a fourth above February, but 18 percent below March 1960.

Table 3.--Automobiles; consumption, sales, inventories, and production, first quarter 1960 to first quarter 1961 1/

Item	Unit	1960				1961
		I	II	III	IV	I
Consumption expenditures:						
Automobiles and parts	Bil.dol.	18.5	18.9	17.5	18.5	n.a.
Retail sales, automotive group	Mil.dol.	3,362	3,437	3,131	3,251	<u>2/</u> 2,874
Retail inventories, automotive group <u>3/</u>	Mil.dol.	4,950	5,140	5,070	5,270	<u>4/</u> 4,780
Index of auto production	1957=100	124	120	114	110	74
Change in installment credit						
outstanding, automobile paper	Mil.dol.	2,180	2,224	440	364	<u>2/</u> -1,926

1/ Seasonally adjusted; sales and prices are monthly averages, consumption expenditures and change in automobile installment credit are annual rates.

2/ January-February average. 3/ End of period. 4/ February 1961.

n.a. Not available.

Departments of Commerce and Labor and Federal Reserve Board.

Nondurable Goods and Services

Purchases of nondurable goods and services are closely related to day-to-day consumer needs. In the first quarter of 1961, purchases of nondurable goods and services totaled \$289.5 billion, up 4 percent from a year ago. Purchases of nondurable goods and services have continued to advance since the third quarter of 1960. Urban consumer prices for both nondurable goods and the cost of service items in early 1961 were up about 2 percent from a year earlier. Food prices were up about 3 percent, other nondurables, 1 percent. Prices paid by farmers for family living items in the first quarter of 1961 were a little above a year ago. Food and clothing prices were higher, but prices of autos, building materials and household furnishings were lower.

Consumption expenditures for food and alcoholic beverages in the fourth quarter of 1960 were at an annual rate of \$81.5 billion, 3 percent above a year ago. In the first quarter of 1961 retail sales of the food group were 3 percent above a year ago. The retail cost of the fixed market basket of farm produced food products rose to \$1,069 in the first quarter, up 4 percent from a year ago. During the same period the farm value of the market basket was up 6 percent, reflecting higher prices for eggs, hogs, oil-bearing crops and some fresh fruits. Charges for marketing farm food products have risen only slightly during the last 2 years, thus reflecting relative stability in marketing costs. Unit labor costs did not rise as much as hourly earnings because of an increase in output per manhour.

Table 4.--Consumer prices, selected items, March, June, September and December 1960 and February 1961

Item	(1947-49=100)				
	1960				1961
	March	June	September	December	February
Consumer prices, total	125.7	126.5	126.8	127.5	127.5
Food	117.7	120.3	120.2	121.4	121.4
All items less food	129.7	129.7	130.3	130.8	130.8
Nondurable less food	119.6	119.6	120.9	121.0	120.6
Apparel	108.6	108.7	110.5	110.5	109.4
Durable goods	112.5	111.5	110.0	110.8	110.3
New cars	138.3	136.5	132.4	139.0	137.9
Services	149.2	149.7	150.8	151.4	151.9
Rent	141.2	141.6	142.1	142.8	143.1
Household operations	138.3	138.9	139.8	140.0	140.2
Medical care	161.3	162.5	163.6	165.3	167.1

U. S. Department of Labor.

Private Investment

During the economic expansion of 1958-60 private investment reached a peak of \$79.3 billion in the first quarter of 1960. By the first quarter of 1961, it had dipped to \$61 billion. Changes in business inventories accounted for practically all the decline. They were accumulated rapidly in late 1959 and early 1960--after the 1959 steel strike. As business prospects worsened in the spring and summer of 1960, accumulation slackened and in the final quarter of 1960 turned to liquidation. Liquidation continued in the first quarter of 1961.

Inventory Liquidation Continues

The book value of manufacturing and trade inventories totaled \$91.6 billion at the end of February, down nearly \$2 billion from June 1960, but 700 million above a year ago. Stocks of durable goods were down \$2.1 billion from June, while nondurable goods stocks at wholesale and retail were up a little from mid-1960. Between June 1960 and February 1961 manufacturing and trade sales declined \$2.7 billion. In February retail sales improved slightly and manufacturing shipments rose 1 percent. Stock-sales ratios usually rise during periods of declining sales; in February manufacturing and trade ratios at 1.55 were up from the 1.51 level in June. The increase in new orders of durable goods firms in February along with further rises in Government purchases and auto sales likely will encourage businessmen to reduce the rate of their liquidation of stocks during the next few months. In the last half of 1961 some accumulation of inventories is likely, as a prospective turnaround in plant and equipment spending and a pickup in residential construction should reinforce the economic recovery.

Table 5.--Manufacturing and trade sales and inventories and ratios, March, June, September, and December 1960 and February 1961

Item	Unit	1960				1961
		Mar.	June	Sept.	Dec.	Feb.
Manufacturing and trade stocks	Bil. dol.	92.3	93.5	93.1	92.4	91.6
Manufacturing and trade sales	Bil. dol.	61.3	61.8	60.3	59.4	59.1
Stock-sales ratio <u>1/</u>	Ratio	1.51	1.51	1.54	1.56	1.55
Durable goods stocks	Bil. dol.	50.2	50.9	50.5	49.6	48.7
Durable goods sales	Bil. dol.	25.6	25.4	24.5	23.4	22.8
Stock-sales ratio <u>1/</u>	Ratio	1.98	2.00	2.06	2.12	2.14
Nondurable goods stocks	Bil. dol.	42.2	42.5	42.7	42.8	42.8
Nondurable goods sales	Bil. dol.	35.8	36.4	35.8	35.9	36.3
Stock-sales ratio <u>1/</u>	Ratio	1.18	1.17	1.19	1.19	1.18

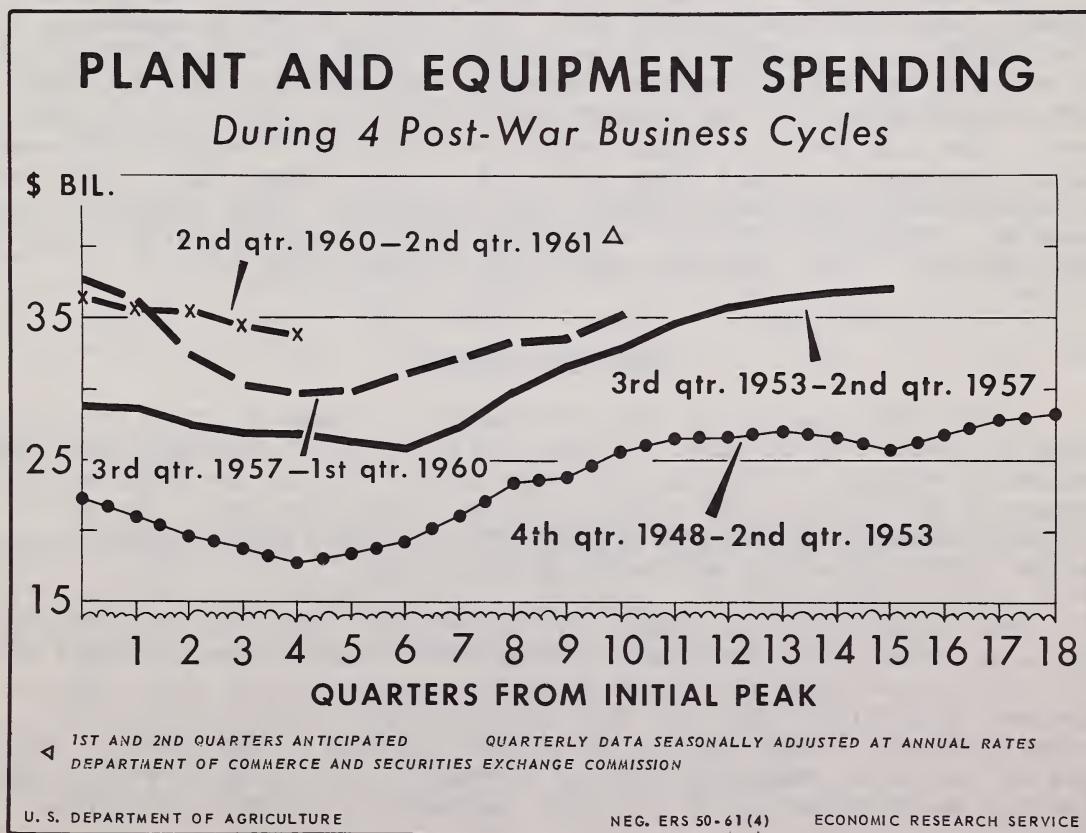
1/ Ratios computed by ERS.

Department of Commerce.

Moderate Rise in
Capital Spending in
Last Half

Businessmen plan in 1961 to spend \$34½ billion on new plant and equipment, based on a recent survey conducted by the Securities and Exchange Commission and Department of Commerce. They spent \$35.7 billion in 1960. Plant and equipment spending reached a peak in the second quarter of 1960 at a seasonally adjusted annual rate of \$36.3 billion. By the final quarter of 1960 it was down to a \$35.5 billion rate, and in the second quarter of 1961 the dip is scheduled to reach \$33.8 billion, 7 percent below the April-June 1960 peak of the 1958-60 expansion. The current decline is smaller than in the other postwar recession periods in 1948-49, 1953-54 and 1957-58. Based on the capital spending plans of businessmen in early 1961, a modest recovery is likely in the last half of 1961. A seasonally adjusted annual rate of \$35 billion for the last half of 1961 would compare with the \$34 billion estimate in the first half.

Fixed investment in manufacturing in 1961 is expected to total \$14.1 billion, down 3 percent from 1960, and less than the previous peak in 1957. Durable goods spending is expected to decline 7 percent in 1961, mostly in steel and nonferrous metals industries. Machinery firms are likely to hold spending steady in 1961, but motor vehicle firms are expected to increase outlays this year. In 1961, nondurable goods capital outlays are expected to



rise slightly, due mostly to increases in petroleum, chemical and food and beverage groups. Spending by textile and paper firms is being reduced. Electric utility outlays are scheduled to rise 8 percent, and gas 12 percent. Transportation programs are being reduced in 1961, but spending of commercial and communications firm is expected to be about the same in 1961 as last year.

Construction outlays by business and private nonprofit institutions were at an annual rate of \$17.4 billion in the first quarter of 1961 compared to \$16.9 billion a year earlier. Commercial and industrial construction, while declining moderately in the first quarter of 1961, was at an annual rate of \$7.5 billion compared to \$6.9 billion a year earlier. Public utility construction outlays at \$5.4 billion were slightly above a year ago. Outlays for other nonresidential buildings--private hospitals, schools, churches, etc.--continued to rise in early 1961.

Housing Starts Rise

Private nonfarm housing starts in the first quarter averaged 1,156 thousand, at a seasonally adjusted annual rate, up considerably from the low 1 million rate in December, but below the 1,245 thousand units started a year ago. In March private nonfarm starts reached an annual rate of 1,253 thousand units. New residential construction at \$19.1 billion in the first quarter was 11 percent below the first quarter 1960. The pickup in starts apparently reflects easier credit conditions and reduction in interest rates on long-term funds to encourage economic growth. Mortgage interest rates have declined some in recent months and the availability of funds for home financing has increased. The high level of vacancy rates--particularly of rental units--and declines in consumer incomes since last fall tend to offset some of the favorable influences of improved mortgage credit conditions. With improved consumer incomes and continued easy credit conditions likely, housing starts should rise during the rest of 1961, particularly during the last half.

Government Demand

In the first quarter of 1961, Government purchases of goods and services reached an annual rate of \$104.5 billion, up \$7 billion from a year ago. Federal Government purchases at \$54.5 billion were up \$2.7 billion and State and local purchases at \$50 billion were up \$4.3 billion in the past year. The rise in Government purchases of about \$4 billion after mid-1960 helped sustain output when the industrial sector was declining moderately.

Based upon the Federal budget for fiscal year 1961-62 submitted to the Congress in January, the Department of Commerce estimated that purchases of goods and services would rise about \$2 billion between fiscal years 1960-61 (ends next June 30) and 1961-62. The administration's review and revision of the 1961-62 budget totals resulted in higher estimates of expenditures for a number of functions, including national defense, commerce, housing and space technology, agriculture and agricultural resources, and labor and welfare.

Budget expenditures for fiscal year 1960-61 are now estimated \$1.7 billion higher than the January Budget estimates and in fiscal year 1961-62 they are expected to be up \$3.4 billion. The revised estimates of the national defense--up nearly a billion dollars--and space programs are mainly responsible for the expected higher level of purchases of goods and services than those in the January budget. The remainder of the increases over the January estimates are for grants, housing aids and other loans.

State and local government expenditures are expected to rise about \$3 $\frac{1}{2}$ billion to a total of \$51 billion between 1960 and 1961. The rise this year is a continuation of the postwar average annual increase of around \$3 billion. Increases in State and local government expenditures are due to the rising demands for public services. A continuing shortage of public facilities such as highways and schools with further expansion of construction expenditures is likely. The rise in population between 1948-60 was over 22 percent--this, and the even sharper rise in the school population and number of retired persons has stimulated the demand for public services and facilities. In addition, a continued rapid growth in metropolitan areas has increased the demand for mass transportation, water supplies, air purification, and sewage disposal systems. Price and wage rate increases have also contributed to the rise in State and local government purchases.

Production and Employment

Industrial production held steady in March; the index at 102 (1957=100) was the same as in January and February. In the first quarter, industrial production averaged 7 percent below a year ago. This was more moderate than the declines of 11 percent in 1957-58 and 9 percent in 1953-54 but about the same as in the 1948-49 recession.

Among the sharpest reductions in output from January-March 1960 were those in steel, autos, fabricated metals and machinery industries. Among non-durable goods industries, rubber, petroleum, chemicals and textiles declined moderately, while food and paper and printing remained steady. In terms of market groups, consumer final products dropped 4 percent, equipment 4 percent, and materials, 10 percent between the first quarter of 1960 to the first quarter of 1961.

Wholesale Industrial Prices Steady

While industrial activity has declined moderately, wholesale industrial prices have held about steady since mid-1960. The index, 128 percent of the 1947-49 average, was slightly below a year ago. Crude and intermediate material prices declined, and producer and consumer finished goods were unchanged. Consumer nondurable goods prices were up about 1 percent.

The comparatively modest decline in output since the peak in the second quarter of 1960 started with unemployment of 5.2 percent of the civilian labor force, seasonally adjusted. This was well above the rates of around 4.5 percent in the previous economic expansion of 1955-57. The unemployment rate rose in the last half of 1960 and in the first quarter of 1961 averaged 6.8 percent,

Table 6.--Gross national product, industrial production and employment, first quarter
1960 to first quarter 1961 ^{1/}

Item	Unit	1960				1961
		I	II	III	IV	I
Gross national product (1960 \$)	Bil. dol.	504.8	506.3	501.7	500.4	495.0
Industrial production	1957=100	109.9	109.3	108.2	104.7	102.2
Manufacturing	1957=100	110.6	109.7	108.3	104.2	101.4
Durable	1957=100	109.4	106.1	103.7	98.2	94.5
Nondurable	1957=100	112.2	114.6	114.5	112.2	110.6
Civilian employment,	Mil.	66.2	67.1	66.9	66.6	66.8
Agriculture	Mil.	5.6	5.6	5.9	5.8	5.8
Nonagriculture	Mil.	60.5	61.5	61.1	60.8	60.9
Manufacturing ^{2/}	Mil.	16.5	16.5	16.3	16.0	15.6
Other private ^{2/}	Mil.	28.0	28.2	28.3	28.0	27.9
Government ^{2/}	Mil.	8.4	8.4	8.5	8.5	8.6
Average hours, production workers,	Hours	40.1	39.9	39.6	39.0	39.0

^{1/} Seasonally adjusted. ^{2/} Employees on payrolls of nonagricultural establishments.

Department of Commerce and Labor.

the highest since the spring and summer of 1958, when the rate averaged more than 7 percent for 6 months. The unemployment rate normally lags several months behind changes in general business activity. Long-term unemployed (out of work 15 weeks and more) rose to 1.9 million at the end of the first quarter, some 600,000 above a year ago.

A factor in the large rise in unemployment was the abnormal increase in the civilian labor force. It increased 2 million since early 1960 compared with a projected increase of 1.2 million based on long-term trends. Civilian employment, after seasonal adjustment, declined from April-June 1960; nonagricultural employment was down about a half a million, while agricultural employment was fairly steady. Manufacturing establishments reduced employment about 900,000 between April-June 1960 and January-March 1961. About two-thirds was among the durable goods firms and a third among nondurable. Mining, transportation and public utility employment declined nearly 200,000. Partially offsetting were substantial gains in State and local Government employment and a moderate rise in finance and service.

Average weekly hours of manufacturing production workers picked up a little in the first quarter from the low December level and averaged 39 hours, about an hour below the first quarter of 1960. Average hourly earnings at \$2.32 in January-March were 3 cents above a year ago; average weekly earnings at \$90.00 were down \$1.45 from a year earlier.

FOREIGN DEVELOPMENTS

Two outstanding features of U. S. international transactions during 1960 were: (1) The rise in the trade surplus from less than \$1 billion in 1959 to \$4.7 billion in 1960, and (2) The unusually large capital outflow after midyear, accompanied by large sales of gold.

Exports expanded vigorously in 1960 from a seasonally adjusted annual rate of \$18.3 billion in the first quarter to nearly \$20 billion in the fourth. The increase was concentrated in exports to Western Europe and Japan where boom conditions prevailed. Exports were assisted by special factors including deliveries of jet aircraft, near-record cotton exports, and the relatively favorable price of domestic copper. In addition to cotton, many other agricultural exports set new records. Agricultural commodities accounted for about one-fourth of the rise in total exports. Despite the substantial rise in United States exports, the U. S. share of world exports remained below the 1954-58 average of 20 percent.

Imports in 1960 reflected the downturn of demand in the United States; they declined from a seasonally adjusted rate of \$15.3 billion in the second quarter to \$13.7 billion in the fourth. In addition to cyclical and special factors (such as the strike induced imports of steel mill products in 1959), competition from U. S. compact cars caused imports of foreign automobiles to fall 50 percent between the first and fourth quarters. Agricultural imports were the lowest in 11 years, and their decline by \$274 million accounted for 80 percent of the drop in total imports in 1960.

The unusually large capital outflows which burdened the U. S. balance of payments in the second half of 1960 stemmed from differences in interest rates, commercial terms of payment and stock market activity, as well as from uncertainties regarding exchange rates. The gold outflow was both the cause and effect of speculation as to the possible devaluation of the U. S. dollar. Moreover, both U. S. residents and foreigners purchased gold and short-term assets in foreign currencies (German and other) that were considered due for upward revaluation. Between the first and second half of 1960, recorded short-term capital outflow increased at an annual rate of \$1.6 billion while payments on unrecorded transactions (which usually add to U. S. receipts) increased by \$1 billion. Foreign capital investment in U. S. stocks also declined by \$0.7 billion between the first and second halves of 1960. In the last quarter of 1960, U. S. private long-term capital outflow was swelled by one company's purchase of the outstanding stock of its British subsidiary for nearly \$0.4 billion. Altogether, private capital transactions, long- and short-term, resulted in a net outflow of \$4.1 billion. This was \$3.1 billion more than in 1959, and offset more than 4/5 of the rise in the U. S. merchandise trade surplus. Net U. S. Government capital outflow also rose \$0.8 billion, as disbursements of foreign currencies increased while foreign repayments of dollar loans were below the record levels of 1959.

Table 7 --Balance of payments of the United States 1958-60 1/

Item	1958		1959		1960		1959 2/		1960 2/	
	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Jan.-June Billion dollars	July-Dec. Billion dollars	Jan.-June Billion dollars	July-Dec. Billion dollars
U. S. RECEIPTS										
Merchandise exports	16.2	16.2	16.2	19.4	19.4	8.4	7.8	8.4	9.5	9.9
Exports of services 3/	7.0	7.2	7.2	7.7	7.7	3.7	3.5	3.7	3.8	3.9
Repayment of Government loans	.6	1.0	1.0	.6	.6	.6	.4	.6	.3	.3
Foreign long-term investments in U. S.	4/	.5	.5	.3	.3	.3	.2	.3	.3	4/
Unrecorded transactions, net	.4	.8	.8	-.9	-.9	.3	.5	.3	-.2	-.7
Total	24.3	25.8	25.8	27.2	27.2	13.8	12.0	13.8	13.9	13.3
U. S. DISBURSEMENTS										
Merchandise imports	12.9	15.3	15.3	14.7	14.7	7.8	7.5	7.8	7.6	7.1
Military expenditures abroad	3.4	3.1	3.1	3.0	3.0	1.5	1.6	1.5	1.5	1.5
Imports of other services 3/	4.6	5.0	5.0	5.6	5.6	2.7	2.5	2.7	2.8	2.8
Private capital outflow	2.8	2.3	2.3	5/ 3.5	5/ 3.5	1.2	1.1	1.2	1.2	5/ 2.1
Government net grants, and new loans and credits 6/	3.2	3.0	3.0	3.4	3.4	1.5	1.5	1.5	1.6	1.8
Remittances, pensions, etc.	.7	.8	.8	.8	.8	.4	.4	.4	.4	.4
Total	27.7	29.6	29.6	31.0	31.0	15.1	14.6	15.1	15.0	16.0
SURPLUS or DEFICIT (-) in U. S.										
Balance of payments	-3.4	-3.8	-3.8	-3.8	-3.8	-1.3	-2.5	-1.3	-1.1	-2.7
U. S. gold sales [purchases (-)] 6/	2.3	.7	.7	1.7	1.7	.2	.5	.2	.1	1.6
Increase in foreign liquid dollar assets 6/	1.1	3.1	3.1	2.1	2.1	1.1	2.0	1.1	1.0	1.1

1/ Excluding military grant aid and exports financed thereby.

2/ Sum of seasonally adjusted quarters, except for gold and dollar settlements.

3/ Transportation, travel, income on investments, etc.

4/ Less than \$50 million.

5/ Includes in the 4th quarter of 1960 a single direct investment of \$370 million.

6/ Excludes U. S. capital contribution of \$1,375 million to International Monetary Fund in the first half of 1959, of which \$344 million was in gold. Includes U. S. subscription to International Development Association of \$74 million in the second half of 1960.

Department of Commerce, Office of Business Economics.

The U. S. balance of payments deficit of \$3.8 billion, while no larger than in 1959, gave rise to gold purchases by foreign countries of nearly \$2 billion as their reserves increased. 1/ Sale of gold by the International Monetary Fund in exchange for non-interest bearing U. S. securities, reduced the net outflow to \$1.7 billion. In addition, foreigners increased their dollar holdings by \$2.1 billion in 1960. But because of the low yield on Treasury bills, most of the increase--unlike earlier years--was in deposits with commercial banks. 2/

Table 8.--Free world gold and dollar assets, December 31, 1958-December 31, 1960 1/

Type of asset and area	: December 31, : : 1958	: December 31, : : 1959	: June 30, : : 1960	: December 31, : : 1960 <u>1/</u>
	: Bil. dol.	: Bil. dol.	: Bil. dol.	: Bil. dol.
Gold and liquid dollar holdings:	:	:	:	:
Western Europe	: 20.7	22.2	23.4	25.2
United Kingdom	: 3.7	3.5	4.1	4.5
Western Germany	: 4.4	4.6	5.2	6.4
Switzerland	: 2.8	2.9	2.7	2.9
Netherlands	: 1.4	1.6	1.6	1.8
France	: 1.3	1.9	2.3	2.2
Belgium	: 1.4	1.3	1.3	1.3
Italy	: 2.2	3.1	3.1	3.1
Canada	: 3.1	3.2	3.4	3.3
Latin American Republics	: 4.0	3.9	3.7	3.6
Asia	: 3.2	3.9	4.0	4.3
Japan	: 1.1	1.6	1.8	2.2
Total, foreign countries <u>3/</u>	: 32.2	34.5	35.8	37.7
(of which gold)	: (17.6)	(18.3)	(18.7)	(20.3)
International agencies	: 2.9	5.6	5.8	6.4
(of which gold)	: (1.3)	(2.4)	(2.5)	(2.4)
Total	: 35.1	40.1	41.6	44.1
U. S. Government bonds and notes:	:	:	:	:
Foreign countries	: 1.0	1.5	1.6	1.4
International agencies	: .5	.7	.8	.9
Total	: 1.5	2.2	2.3	2.3
Total gold & dollar assets <u>4/</u>	: 36.5	42.2	44.0	46.4

1/ Totals include about \$50 million in liquid dollar assets of the Communist bloc. 2/ Preliminary. 3/ Including all other. 4/ Detail may not add to total due to rounding.

1/ In contrast to 1959, the U. S. deficit was largest with those countries which traditionally convert a high proportion of their reserves to gold. Five countries--the United Kingdom, Switzerland, the Netherlands, Belgium and France accounted for nearly 4/5 of the gold purchases.

2/ The increase in foreign holdings of short-term U. S. securities resulted from reserve gains of countries which traditionally hold only a small proportion of their reserves in gold, though many such countries (including Japan) increased their proportion of gold holdings during 1960.

Altogether, foreign gold and dollar assets, long- and short-term, increased by \$4.2 billion to a record \$46.4 billion during 1960. Of this, \$7.3 billion represents the holdings of international agencies. Ninety percent of the increase in assets reflected the U. S. balance of payments deficit; the balance, a relatively low rate of gold flowing into reserves from new production, sales by the USSR, and other sources.

Improvement in Balance of Payments
Likely

The outflow of short-term capital with the accompanying gold outflow was stemmed early in 1961. Assurances as to maintenance of the value of the dollar, a relative strengthening of U. S. short-term rates, buoyancy in the stock market, the mildness and apparent end of the U. S. recession and the 5 percent appreciation of the German and Dutch currencies are factors attracting funds to the U. S. Moreover, in mid-January the U. S. prohibited the acquisition and possession even outside the U. S. of gold or gold securities by U. S. nationals and entities. At mid-April the total U. S. gold stock at \$17.4 billion was nominally above its low of mid-February, but still \$2 billion below a year earlier.

U. S. exports are expected to remain high during 1961. Contributing factors will be continued industrial growth in continental Western Europe and Japan, increased procurement in the U. S. under the aid programs, expanding Export-Import Bank loan and guarantee activity, and rising agricultural exports under PL 480.

During the first half of 1961 exports are expected to continue at an annual rate of \$20 billion, a rate exceeded during the first two months.^{3/} Lower airplane shipments will be offset by a further small rise in agricultural exports, while foreign orders for U. S. machinery indicate further gains in this category. Imports may slip some more, as inventories remain high. Thus an export surplus at a rate close to \$5 billion is in view. During the second half of 1961, non-agricultural exports may slip further with the decline not completely offset by a further increase in the value of agricultural exports. Moreover, increased activity in the U. S. is likely to be reflected in larger imports and a large order for foreign aircraft is scheduled for delivery. For 1961 as a whole, the export balance is expected to remain in excess of \$4 billion, but it may exceed current expectations if the pace of recovery in Canada quickens.

An export surplus of this magnitude (to the extent it is not offset by U. S. grants and loans), some reversal of short-term private capital outflow, and prepayment by Germany of nearly \$600 million of postwar U. S. loans should substantially reduce the U. S. balance-of-payments deficit. A "hard core" deficit of \$1 $\frac{1}{2}$ -2 billion is in prospect for several more years, however, in view of our international aid and mutual security commitments.

^{3/} During January and February nonmilitary exports exceeded imports by more than \$900 million, seasonally adjusted.

Agricultural Exports

United States agricultural exports during 1960 established new records both in value and volume. During the calendar year, they totaled \$4.8 billion, 22 percent above 1959, and 7 percent higher than the previous calendar year record set in 1957. Most of the increase was in the volume of exports, which rose 23 percent from 1959, and 14 percent from 1957; average export prices were little changed. Of the total increase in value of \$870 million, most was accounted for by sales of cotton for dollars under the payment-in-kind program. Sales for foreign currencies under Title I of PL 480 rose \$260 million; this program helped establish records for wheat and flour. Non-dollar exports totaled an estimated \$1.5 billion, or somewhat over 30 percent of the total. This was a somewhat smaller proportion than in recent years, as dollar sales increased. However, as a large proportion of dollar sales moved with the assistance of payment-in-kind programs, the share of agricultural exports subject to some form of government assistance probably remained at close to 60 percent.

Exports of many major agricultural commodities are likely to continue during 1961 at the annual rates recorded during the second half of 1960. This indicates exports of wheat and flour around 620 million bushels, rice about 20 million cwt. (milled basis) and oilseeds, fats and oils (oil equivalent basis) close to 6 billion pounds.

Exports at anticipated rates would raise the value of agricultural exports for the fiscal year 1960-61 by around 8 percent above the \$4.5 billion total of 1959-60, with most of the increase representing larger volume. For the calendar year 1961, volume should about equal that of the previous year; firming of export prices since 1960, notably for fats and oils, may raise the value of exports somewhat above 1960. Exports sold for foreign currencies or donated are likely to increase more in relation to both 1959-60 and calendar year 1960, than will total farm exports; the rise in PL 480 exports accounts for the upward revision of earlier estimates of total exports. Reduced dollar earnings from agricultural exports may thus offset the apparent advantage to the U. S. balance of payments of the high level of such exports.

Payment-in-kind programs continue in effect for cotton and most grains to eligible destinations. CCC holdings eligible for barter transactions as of April 1 were nonfat dry milk, cotton, tobacco, milled rice, wheat, (except durum), rye, corn, barley, oats, and grain sorghums. Most CCC stocks are also eligible for donation and relief shipments; in addition, limited purchases of vegetable oils are being made in the open market for foreign donation.

The outlook by major export commodities for the fiscal year ending June 30, 1961 is as follows:

Cotton: Foreign free world consumption is at record levels while production has not expanded as fast as consumption. Thus, despite some firming of prices, U. S. exports will remain high. Moreover,

the net import balance of the Soviet bloc will likely rise as bad weather reduced output in the USSR and probably also on the Chinese Mainland. Exports during the fiscal year ending June 30, 1961 may total around 7 million running bales. Some hold-off on exports of 1960 crop cotton until the higher export payment rate comes into effect August 1, will raise calendar year totals above this figure. Non-dollar exports will represent a larger share of the total in 1961 than during the past year.

Wheat and Rice: Exports of around 620 million bushels in fiscal year 1960-61 are predicated on continued large programming under PL 480, the poor 1960 harvest in Southern Europe, and a sizable reduction in the Soviet bloc. Despite another record foreign crop and the loss of the Cuban market, rice exports (milled basis) will remain close to last year's 20 million hundredweight.

Feed Grains: Larger foreign supplies of barley and oats, and of feed wheat in Western Europe, will limit total exports of feed grains to around 11.5 million short tons. Exports of corn are expected to be above the 230 million bushels of 1959-60, but exports of sorghum grains are expected to be down a little and barley and oats will be down sharply.

Tobacco: Increasing foreign production, the improved stock position in some major importing countries and continued restrictions on U. S. leaf are limiting U. S. tobacco exports despite rising world cigarette consumption. Exports during the current fiscal year may total around 500 million pounds export weight. For the calendar year 1961 exports may decline slightly below the 495 million pounds exported in 1960.

Fats and Oils: With only a small rise in foreign free world output, a continuing rise in foreign consumption and increased feeding of soybean meal, U. S. exports will remain high. During the year ending June 30, 1961 soybean exports, spurred in part by sharply reduced exports from Communist China will total at least 10 percent above last year's 133 million bushels, despite higher prices. During the 7 months ending January 1961, 7.4 million bushels of Chinese soybeans moved through the Suez Canal in contrast to a record 18.9 million bushels a year earlier. Exports of fats and oils in fiscal year 1960-61 are expected to drop about 5-10 percent below last year's total of 4.3 billion pounds as shipments under PL 480 are expected to decline.

FARM INCOME

Cash receipts from marketings during the first quarter of this year totaled \$7.6 billion, about 10 percent above January-March 1960. Prices averaged more than 3 percent higher and the volume of marketings was up nearly 7 percent.

Livestock receipts during the quarter totaled \$4.8 billion, 8 percent above a year earlier. Receipts from eggs and hogs gained sharply due to higher prices. Receipts from broilers moved up in response to larger marketings. Heavier marketings pushed crop receipts up more than 13 percent above January-March 1960 while average prices received for the group held about equal to a year ago. Marketings for all food and feed grains, cotton, tobacco, vegetables, and most oil crops exceeded the first 3 months of 1960. Wheat and soybeans in particular showed substantial gains in cash receipts over the first quarter of 1960.

February 1961 cash receipts rose 11 percent above the year-earlier level to \$2.3 billion. Livestock receipts, at \$1.5 billion, were up nearly 7 percent as higher average prices offset a small decline in marketings. Receipts from crops totaled \$0.8 billion during February 1961, nearly a fifth above February 1960.

The preliminary estimate of cash receipts from farm marketings in March 1961 is \$2.3 billion, up 5 percent from March 1960. Livestock receipts are tentatively placed at \$1.7 billion and receipts from crops at \$0.6 billion.

LIVESTOCK AND MEAT

A small gain over 1960 is expected in total meat production in 1961 but, because of population growth, supplies per person will probably be about a pound less than last year. These prospects, together with an expected rise in consumer demand, are the basis of the outlook for relatively favorable meat animal prices this year. For 1961, cattle and hog prices will probably show unusual stability, with cattle prices averaging close to a year earlier. The year's average price for hogs likely will be above 1960 but sheep and lamb prices will likely average lower than a year before.

Cattle slaughter in January-March was about 3 percent larger than a year ago. Cow and steer slaughter was close to early 1960 rates. Heifer slaughter has been above a year earlier. Calf slaughter for January-March 1961 was down slightly from first quarter 1960. Prices to farmers for beef cattle in March at \$20.90 per 100 pounds were nearly the same as in January as lower prices for slaughter steers and heifers about offset higher prices for cows and feeder cattle.

Fed cattle marketings through most of 1961 will likely be above a year earlier. On April 1, the number of cattle and calves on feed in 26 States was 5 percent greater than last April. Available supplies of calves and feeder cattle will be moderately larger and the outlook for relatively stable fed cattle prices will probably encourage feeding.

Cattle feeders' stated intentions to market 48 percent of the cattle in feedlots on April 1 during April-June. Should they follow stated intentions, sales will be about 7 percent above the second quarter of 1960. Prices are not expected to change much during April-June, though an uptrend to a summer-time peak appears likely when prices will be above year-earlier levels.

Feeder cattle prices will probably gain some this spring with the growth of new pastures. Prices are expected to hold up better this summer than last

Hog slaughter the first 3 months this year was about 10 percent smaller than a year earlier, prices were above a year ago. These differences will be reversed about midyear; slaughter will then continue above a year earlier for at least a year. Hog prices this fall will be somewhat lower than last fall but above late 1959 prices.

Hog prices in 1961 have fluctuated within relatively narrow limits, and will probably continue relatively stable for several weeks before a small seasonal advance in the summer. Summer prices may average about as high as they were in summer 1960.

Despite smaller January 1 inventories of stock sheep and sheep and lambs on feed, slaughter thus far in 1961 has been nearly 10 percent larger than slaughter in the early months of 1960. This slaughter rate indicates a larger-than-usual proportion of the lambs on hand January 1 have been sold rather than retained in farm flocks. The average price to producers for lambs in March was \$16.60 per 100 pounds, \$3.70 below a year earlier. A strong seasonal uptrend in lamb prices is indicated this spring as slaughter of old crop lambs is largely completed, but it no longer appears likely that prices will at that time reach last year's levels.

Sheep and lamb slaughter during the next few months will probably be seasonally smaller and near that of a year earlier. The early lamb crop this year is about 4 percent above a year ago; growth and development of lambs this year have been faster than usual.

Supplies of meat for consumption in 1961 may be about a pound or so less than the 161.7 pounds consumed per person in 1960. Most of the change will be in smaller pork supplies.

DAIRY PRODUCTS

Milk production in 1961 is expected to be higher than the 122.9 billion pounds of a year earlier, and could break the record 124.9 billion pounds of 1956. An increase in output was estimated earlier due to favorable milk-feed price relationships and the steady uptrend of output per cow. The recent increase in price supports for manufacturing milk and butterfat may further encourage farmers toward higher production.

The Government is expected to distribute larger quantities of dairy products for domestic consumption in 1961 than last year. Potential outlets for CCC distributions of all dairy products are greater this year because more children are participating in the School Lunch Program and more persons are eligible to receive food through welfare agencies. Needy persons were added to the list of those eligible to receive CCC butter on January 10, 1961; they had already been receiving nonfat dry milk. Cold storage stocks of both butter and cheese have been larger in early 1961 than a year earlier. With dairy production increasing more than the expected aggregate consumption from

commercial sources, sales of dairy products to CCC likely will be larger in 1961 than in 1960. The supply of nonfat dry milk in particular will continue to far exceed domestic consumption and a large quantity will continue to be shipped overseas for welfare uses.

Prices received by farmers for all milk at wholesale will be higher in 1961 than in the year before, but not by the full extent of the increase in price supports. Manufacturing milk prices were well above support levels in the last part of 1960 due to the strong demand for milk for making cheese. An important element in demand last year was the demand for cheese for storage. With cold storage holdings of Cheddar cheese at a record level and 84 million pounds above a year ago, price strength from this source is unlikely in 1961. Furthermore, as supports are raised and the production of milk increases, the prices of manufacturing milk and butterfat will tend to ride the new price support level more closely. The new manufacturing milk support price is \$3.40 per hundredweight and the new butterfat price is 60.4 cents per pound. The previous support rates were \$3.22 cents, and 59.6 cents, respectively. The average price for all milk sold at wholesale will be up even less than the increase in supports because a greater proportion of the larger milk production in prospect for 1961 will be utilized for lower-valued manufacturing products, compared with higher-valued fluid milk items. More milk at a higher price will mean cash receipts to dairy farmers in 1961 will be greater than the \$4.7 billion a year ago. The cost of a number of production items is expected to increase some but these increases will only partially offset the increase in income.

Prices to consumers for milk and dairy products this year are expected to average 1 to 2 percent higher than in 1960. Butter prices will be higher, even though the CCC purchase price was not increased in the most recent price support announcement. The purchase price for butter was increased on September 17, 1960, to a level higher than the 1960 average butter price. Retail cheese prices probably will be below the high levels established this winter but for the year as a whole will average somewhat higher than in 1960. Fluid milk prices to consumers likely will be slightly higher than in 1960.

POULTRY AND EGGS

Egg production in early April was near the season peak, and exceeded last year. Prices since Easter have been below 1960. At the lower price level that has prevailed since the last few days of March, large-scale breaking of eggs has begun for the preparation of frozen egg, and this source of demand may provide a floor that will hold prices at or above current levels for the remainder of the spring.

On April 10, prices to Iowa farmers for Grade A large eggs were mostly 25-26 cents per dozen, compared with 29-31 cents in mid-March, and 31-32 cents on April 15, 1960. In practically all of the first quarter of the year, 1961 egg prices were higher than those of 1960, but the situation is now reversed. Part of the reversal was occasioned by the attractiveness to producers of egg prices that prevailed for the last 8 to 10 months. These have stimulated a

29 percent increase in hatchings since January 1. Larger egg supplies this fall than last will result, and accordingly will discourage storage demand except at low prices. The situation last year was the opposite--in the first 4 months of 1960 hatchings were down 33 percent, encouraging egg price increases in April 1960 and thereafter.

Hatchings of broiler chicks are also rising, suggesting further increases in supply through June. Inspected slaughter from January to early April 1961 has been 14 percent above last year, and this rate will likely increase, because chick hatchings and egg settings in recent weeks have exceeded 1960 by more than one-fifth.

In late February this year most Georgia broiler prices had been as high as 18 cents per pound but by the second week of April they were down to 14.5 cents. The 1960 average price for Georgia was 16.2 cents; for 22 important broiler producing States it was 16.8 cents. The 1960 prices averaged almost a cent above 1959, and are considered to be a factor in the current increases in broiler production.

Turkey production is also above 1960, and the larger output will continue into the fall. Slaughter in federally inspected plants from the beginning of 1961 to early April was 52 percent above 1960, while hatchings and egg settings to date this year are 31 percent above 1960. These hatchings and egg settings will govern production from May to September. Present prices are lower than last year; the U. S. average received by farmers was 23.6 cents per pound in mid-March, compared with 26.5 cents in March 1960.

OILSEEDS, FATS AND OILS

Monthly average prices of soybeans (No. 1 yellow, Chicago) have increased sharply from \$2.12 per bushel in October 1960 to \$3.35 in mid-April 1961, averaging \$2.57 per bushel for the entire period compared with a relatively stable price of \$2.17 a year earlier. Soybean prices this spring and summer are expected to continue strong, averaging sharply above last year.

Total supplies of soybeans available during April-September 1961 will be somewhat smaller than in the second half of the 1959-60 marketing year; demand is expected to continue stronger than last year. This means that the supply situation will tighten before new crop beans become available, usually around mid-September. Therefore it is expected that prices to farmers will continue strong as bean crushers and exporters compete for the reduced supply of beans this year.

Wholesale prices of soybean oil, cottonseed oil, and lard have advanced more than one-third during October-March 1960-61, the most in any comparable period since 1955-56. The prices of these commodities have already displayed most of the increase expected for the entire 1960-61 marketing year. Prices probably will remain relatively stable this spring and summer, averaging well above the **same** period last year.

Higher food fat prices this year stem from slightly smaller supplies coupled with record export and domestic demand. Carryover stocks next October 1 are expected to be the smallest since 1957, mainly reflecting reduced stocks of soybeans (on an oil equivalent basis) although stocks of edible vegetable oils are likely to be down some from a year earlier.

Domestic disappearance of food fats and oils in 1960-61 is expanding with the growth in population, and record exports are being encouraged by several factors. Because of rising demand and limited supplies in other countries the United States is able to move record quantities of oilseeds, fats, and oils into world markets. Major importing areas, such as Western Europe and Japan, continue to need imports of large quantities of edible oils and oilseeds. Output of olive oil in the Mediterranean Basin is down from last year but will be offset by larger carry-in stocks. Exports of palm and palm kernel oil from the Congo, a major exporter, are down slightly because of the unsettled political conditions. Exportable supplies of copra from the Philippines are about the same as last year but more peanuts from Africa are available. Exports of soybeans from Red China (which were well over 50 million bushels last year) are lagging this year. There apparently is a severe food shortage in China.

FEED

With an average growing season, feed grain production in 1961 probably will drop somewhat below the record output of 168 million tons in 1960. The size of the crop will be influenced by the extent of participation in the 1961 emergency feed grain program. The extent of participation of corn and sorghum grain producers has not yet been determined. They are required to divert at least 20 percent of their corn and grain sorghum acreage to soil conserving uses in order to be eligible for price supports on their 1961 feed grain crops. National average price supports for 1961 crops, under the new program, are as follows: Corn, \$1.20 per bushel; oats, 62 cents per bushel; barley, 93 cents per bushel and sorghum grain, \$1.93 per cwt.

As farmers indicated their March 1 intentions before the 1961 feed grain program was announced, there is more uncertainty than usual in prospects for 1961 feed grain acreage and supplies. Based on March 1 prospective plantings, with yields equal to the 1956-60 average by States, production would be down to 156 million tons, 12 million tons below the record output in 1960. Yields near the high level of the last 3 years would increase the output to nearer the 1960 level. Heavy participation in the feed grain program, on the other hand, would result in more significant acreage reduction than that indicated by farmers on March 1. Reduction in output will be at least partly offset by larger carryover stocks. Carryover into 1961-62 is now expected to increase by about 10 million tons over the 75 million tons carried over into 1960-61.

Prices of feed grains dropped rather sharply in the last half of March after they had advanced more than seasonally since last fall. The price of No. 3 Yellow corn at Chicago averaged \$1.05 per bushel in early April, 9 cents lower than a month earlier and 15 cents per bushel lower than a year ago. Oat

prices at midwestern markets were down 10 cents per bushel from a year earlier, sorghum grain down about 15 cents per hundredweight, but barley prices are about the same. Prices of feed grains probably will continue below a year earlier this spring and summer. However, in the last quarter of the year they probably will average higher than in that period of 1960 when prices were the lowest since World War II.

Prices of high-protein feeds also have advanced sharply since last fall. In the first half of April the index of wholesale prices was 24 percent higher than last November and 9 percent higher than a year earlier. While soybean meal production during 1960-61 has continued above a year earlier, strong domestic demand and a smaller stock of soybeans available for processing has resulted in prices advancing to around \$70.00 per ton at Decatur, in early April, \$25.00 per ton over November, and \$12.00 higher than a year ago. Prices of high-protein feeds probably will continue above a year earlier at least through spring and summer.

Farmers had placed 516 million bushels of 1960-crop corn under price support through March, 73 million bushels more than in the same period last year. Larger quantities of 1960 oats, barley and sorghum grains also were placed under price support than in 1959-60. Through March a total of 21.7 million tons of the four feed grains had been placed under price support, 5 million tons more than in the same period of 1959-60.

WHEAT

The 1961 winter wheat crop was estimated as of April 1 at 1,099 million bushels. The first estimate of spring wheat will be reported on June 9. But, if growers carry out their seeding intentions (12.2 million acres) and yields per seeded acre this year about equal the 1956-60 average by States, a spring wheat crop of about 228 million bushels would be produced. This together with the estimated winter crop, would total about 1,325 million bushels. An all wheat crop of this size would be 3 percent below the 1,363 million bushel crop in 1960 but 21 percent above the 1950-59 average of 1,095 million bushels.

A crop of 1,325 million bushels would exceed likely disappearance in 1961-62. Domestic disappearance may total about the same as the 610 million bushels estimated for this year, and exports are assumed at 600 million bushels. This would leave a carryover on July 1, 1962 of 1,580 million bushels, more than 100 million bushels larger than the carryover estimated for July 1, 1961.

The 1,099 million bushel estimate for the winter wheat crop is 65 million bushels above the December 1 forecast. While it is nearly 2 percent below the huge 1960 crop, it ranks as the third largest crop of record and about 31 percent above the 1950-59 average.

The indicated yield per seeded acre of winter wheat at 25.0 bushels has been exceeded only by the 1958 and 1960 crops. This yield forecast is based on growing conditions about April 1 and takes into account such factors as soil moisture, insect activity, plant disease, and the assumption that weather conditions from now to harvest will be near normal. In the last 10 years, the average change in the United States production estimate from April 1 to harvest has been 100 million bushels, ranging from a minimum of 24 million to a maximum of 216 million bushels.

Cash wheat prices at terminals have declined generally, since reaching highs for the season in late January and early February. When prices were generally near or above support levels, substantial quantities of loan wheat were redeemed and sales were increased. This in turn increased free supplies to a level considered ample to cover requirements until new-crop wheat became available. As a result of increased free supplies, the seasonal decline this year has occurred earlier than is customary. If a shortage in free supplies of any class of wheat should develop, it would result in a temporary increase in prices. Prices of winter wheat usually start to adjust to new-crop conditions in May and reach the low in late June or early July. After the heavy movement slackens following harvest, prices to growers will advance again, as in other years, reflecting the influence of the support program.

FRUIT

Consumer demand for fresh and processed fruit is expected to continue at a high level this spring and summer. Processor demand for Florida Valencia oranges, of which movement to processors increased sharply in mid-April as the oranges attained sufficient maturity for making into frozen concentrate, also is expected to be strong this spring. Remaining supplies of 1960-crop apples and pears are lighter than a year ago, those of oranges about the same as a year ago, and those of grapefruit heavier. Total supplies of canned fruits and of frozen fruits and fruit juices are somewhat heavier than a year ago.

Citrus bloom for the 1961-62 season had passed its peak by April 1. In Florida, the set of oranges was good, that of grapefruit somewhat irregular. In Texas, a good set of fruit is holding, and in California, the weather has been favorable for the new bloom. April 1 prospects for peaches in the Southern States pointed to another good crop this year. For other tree fruits, the season is still too early for a good indication of production.

The 1961 crop of strawberries in the early spring States (Louisiana, Texas, and Alabama) is estimated to be 27 percent above 1960 and 3 percent above the 1950-59 average. Most of the increase this year is due to higher yields per acre. Harvest has been active since late March. In mid-April, grower prices for Louisiana strawberries generally averaged somewhat above the levels of a year earlier. Each year, the mid-spring and late spring States produce most of the strawberries that are used fresh or processed. Prospective acreage for harvest in these two groups of States is nearly as large as the acreage harvested in 1960. The first official estimates for 1961 production will be published May 10. Cold-storage stocks of frozen strawberries on April 1, 1961 were about 5 percent smaller than a year earlier.

Movement of 1960-crop apples from cold storage continued seasonally heavy during March and stocks on April 1 were a little smaller than a year earlier. This year as last, marketing is expected to be practically completed by July 1, well ahead of volume movement from the new crop. Grower prices for apples tended to increase during March, and in mid-April prices for leading varieties, especially McIntosh from controlled-atmosphere storage and Winesap, averaged considerably above year-earlier levels.

April 1 stocks of pears also were somewhat lighter than a year earlier. Terminal auction prices for pears increased during March, and in mid-April averaged considerably higher than a year earlier.

In mid-April, remaining supplies of oranges were about as large as a year earlier, those of lemons were a little larger, and those of grapefruit were much larger. Most of the oranges and grapefruit were in Florida, where harvest of these two fruits will be practically finished by July 1. During the summer, when most of the fresh citrus will be California fruit, supplies of Valencia oranges will be somewhat smaller than in the summer of 1960 and supplies of grapefruit will be seasonally light. Shipping-point prices for Florida oranges and grapefruit declined during March and early April. In mid-April, prices for oranges, however, continued much higher than a year earlier; those for grapefruit continued much lower. Grower prices for California oranges also averaged considerably above a year earlier.

Through April 15 of the 1960-61 season, fresh market use of Florida oranges was much smaller than comparable use in 1959-60. Use by processors to April 8 was only a little smaller than comparable use in 1959-60. Of Florida grapefruit, both fresh use and processing have been moderately smaller than comparable use in 1959-60. Output of Florida frozen orange concentrate to April 8, 1961 was about 19 percent above like output a year earlier. Packers' stocks were up 14 percent. The packs of most Florida canned single-strength citrus juices, likewise canners' stocks, were down substantially from a year earlier.

COMMERCIAL VEGETABLES

For Fresh Market

Supplies of vegetables for fresh market sale are likely to be moderately smaller during the next 4 to 6 weeks than a year earlier. Aggregate production of 18 spring crops for fresh market is expected to be about 8 percent smaller than last spring. These crops typically make up about three-fourths of the total spring tonnage, excluding melons. Warm weather in March and early April stimulated growth of market vegetables in California. Weather conditions in Texas were generally favorable, except for high winds in early March. Frost in Florida on March 10 and 11 and blowing sand also caused some damage to tender vegetables in that area, particularly snap beans and sweet corn in the Everglades section. Among the more important vegetables, substantially larger production than last year is in prospect for early spring cabbage, and spring celery and spring spinach, and a moderately larger production for early spring cucumbers. But prospective production is materially smaller than a year earlier for early spring asparagus, snap beans, sweet corn, lettuce and onions, and spring carrots, green peppers, and eggplant, and moderately smaller for early spring broccoli, cauliflower and tomatoes.

Although production estimates are not available, indicated acreages of late spring asparagus and cabbage are slightly smaller than last year, and onions and watermelons materially smaller. Intentions reports also indicate that growers plan smaller acreages of early summer cabbage, onions and watermelons, and late summer onions and watermelons. Intended acreage of cabbage for late summer harvest is moderately larger than last year.

For Processing

Remaining supplies of canned vegetables are significantly smaller than a year ago. Stocks of asparagus, lima beans, carrots, spinach and sauerkraut are larger than a year earlier, and tomato catsup, pumpkin and squash probably are larger. But stocks of sweet corn, green peas and beets are substantially smaller than a year ago, and snap beans moderately smaller. Supplies of tomatoes, tomato juice and most tomato products also appear to be down moderately to substantially from a year ago. On the other hand, stocks of frozen vegetables, excluding potatoes, on April 1, at 610 million pounds, were about a fifth larger than on April 1, 1960. Except for green peas, all major frozen items are in ample supply.

The prospect for the smallest carryover stocks of canned vegetables in several years is expected to result in a larger pack this year. Production of winter and early spring spinach for processing was a little smaller than in 1960. However, intentions reports indicate that processors plan acreage increases of 12 percent for lima beans, 7 percent for snap beans, 9 percent for sweet corn, 13 percent for peas, and 7 percent for tomatoes. Intended acreage of contract cabbage for kraut also is up 6 percent. Normal abandonment and yields near the average of recent years, on the prospective acreages, would result in slightly more lima beans, and contract cabbage for kraut, and moderately to substantially more snap beans, sweet corn and green peas. More normal yield of tomatoes for processing, compared with last year's very high yields, might result in a slightly smaller tonnage of tomatoes for processing.

POTATOES AND SWEET POTATOES

During the next few weeks, prices of fall crop potatoes are likely to continue at relatively low levels, particularly in the East. Remaining supplies of fall crop potatoes appear to be somewhat larger than a year ago, and indicated production of early spring potatoes is up almost a fifth. Acreage of the important late spring crop is down 2 percent, and weather in Alabama has been unfavorable. Partly because of loss of acreage caused by adverse weather in Alabama, late spring acreage in the Southeast is down about a tenth from 1960. But acreage is up 9 percent for California, which produces about 60 percent of the late spring tonnage, and up 8 percent in Arizona. Should yields be near the average of recent years, however, total late spring production would approximate that of last year.

Intentions reports in early March indicate that growers of late summer and fall potatoes plan a 7 percent increase in acreage over last year. An average growing season on the indicated acreage would result in burdensome supplies and low prices to growers.

The small remaining supplies of sweetpotatoes are expected to continue to move at prices considerably above those of a year earlier. Intentions reports indicate that growers plan to plant substantially the same acreage as last year. Yields near the average of recent years on such an acreage would result in a crop slightly to moderately smaller than that of 1960, and the smallest of record. Should production be near that currently indicated, prices to growers probably would average moderately above those of the current season.

DRY BEANS AND PEAS

Remaining supplies of colored classes of beans are moderately larger than a year ago, while white classes probably are the same to slightly larger. Pink and blackeye beans are in tight supply, while pea beans are in heavy supply. However, the Department of Agriculture has purchased substantial quantities of pea beans for distribution to needy families, and this has tended to bolster prices to growers above what it otherwise would have been. According to March intentions reports, growers plan to plant about the same acreage of beans as last year. However, the Department in early April announced price support for 1961 crop beans, at 70 percent of the March parity price, or a National average of \$6.32 per 100-pound bag. This is 97 cents a hundredweight higher than the support level of the 1960 crop, and may result in growers planting slightly to moderately more acreage than expected in March.

Remaining supplies of dry field peas are substantially smaller than a year earlier. Export demand has not been as good this season as last. Prices to growers in mid-March averaged \$3.91 per hundredweight compared with \$3.65 a year earlier, when supplies were much heavier. Should growers plant the 9 percent larger acreage intended in early March, near average yields would result in a crop about a fourth larger than the small crop of 1960. Barring a poor crop of peas in Europe and a significantly stronger export demand, prices to growers for a crop of this size might average a little lower than prices of the current season.

COTTON

The carryover of cotton on August 1, 1961, is expected to be about the same as the 7.6 million bales a year earlier. Disappearance during the 1960-61 marketing year of about 14.5 million bales is expected to about balance production of about 14.3 million running bales plus imports and the city crop of around 200,000 bales. The 1960-61 disappearance compares with 16.2 million bales of a year earlier and is comprised of both exports and mill consumption which are smaller than those of 1960-61. Exports in 1960-61 are expected to be about 700,000 bales smaller than the 7.2 million bales of 1959-60, and mill consumption is expected to be about 1 million bales smaller than the 9 million bales of 1959-60.

Exports from August 1, 1960 through February 1961 of about 4.3 million bales were approximately 300,000 bales larger than exports during the same period a year earlier. However, registrations for export of upland cotton under the payment-in-kind program in recent weeks have run well below registrations for the same weeks a year earlier. For example, registrations for the week ending April 14 were 17,405 bales, but registrations for the week ending April 15, 1960 were 56,410 bales. Registrations from the start of the current program through April 14 were about 6.0 million bales and compare with about 6.3 million bales during approximately the same period in 1959-60. Trade reports indicate that merchants are selling cotton for delivery abroad after August 1 cheaper than for immediate delivery. This has been brought about by the larger export payment rate after August 1--uptwo and one-half cents from the 6 cents for the current season. Merchants have been able to buy cotton in the past few weeks, carry it to August 1, and because of the larger export subsidy, still sell it cheaper than for immediate delivery.

Prices for August-September shipments of the current crop at European markets are quoted at about 1.25 and 1.50 cents per pound below prices for prompt delivery of the present crop.

At the same time that the initial export subsidy increase explained previously was announced, the price support level for the 1961 upland crop was announced. The price support level was based on 82 percent of the February parity price and is a minimum of 33.04 cents for Middling 1-inch cotton at average location. This price compares with 32.42 cents per pound for Choice A cotton at average location and 26.63 cents per pound for Choice B cotton from the 1960 crop. The minimum sales price for Choice A cotton is not less than 110 percent of the Choice B support price plus carrying charges. For 1959 and earlier cotton crops the minimum sales price is not less than the higher of 115 percent of the Choice B price plus carrying charges or the market price as determined by CCC. Carrying charges are defined as 0.10 cents per pound for October and an additional 0.2 cent for each month thereafter through July 1961. For Middling 1-inch at average location 110 percent of the Choice B support price is 29.29 cents per pound and 115 percent is 30.62 cents per pound.

The average 14 spot market price for Middling 1-inch cotton has been increasing slowly since the end of January. On January 31 the average 14 spot market price for the quality was 30.19 cents per pound. By mid-February it had increased to 30.36 cents per pound and on April 20 it was 31.46 cents per pound. The average price received by farmers for upland cotton in mid-March was 28.37 cents per pound compared with 26.90 cents per pound in mid-February. The average price a year earlier was only .05 cent per pound above the mid-March 1961 price.

Imports of cotton textiles during January 1961 were equivalent to about 36,500 bales. These compare with the equivalent of about 41,600 bales imported in the same period a year earlier. Textile exports during the first month of 1961 were equivalent to about 43,000 bales; a year earlier they were equivalent

to approximately 41,800 bales. It is too early in the year to tell whether the differences from a year earlier really signify a change in trend, though exports are slightly above the first month of 1960, and imports are slightly below.

WOOL

World wool prices in mid-April were at the highest levels of the 1960-61 marketing season. In contrast to a year ago, when prices were moving downward, this year there has been an upward trend in world prices; however, prices are 3 to 10 percent below the level of a year earlier. With the slowing down of economic growth in many of the major wool manufacturing countries, the increasing competition of other fibers and the approximate balance of world wool supplies and disappearance, world wool prices can be expected to remain relatively stable during the next several months.

Prices received by domestic producers thus far in 1961 have averaged 5 to 10 percent less than a year earlier. In March 1961, the average mid-month price was 40.2 cents a pound compared with 44.3 in March 1960. The price pattern of domestic wools has been similar to that of world wool prices. Some increase in shorn wool prices can be expected between now and mid-summer due to an anticipated mid-year increase in mill demand. The incentive level for the 1961-62 marketing year is 62 cents per pound.

Domestic consumption of wool --mill consumption plus the import balance of foreign trade in wool manufactures --probably will be less in 1961 than in 1960. Imports of semi-processed and manufactured wool products are expected to continue to increase in importance. However, the relatively low level of mill consumption of raw wool in early 1961 will probably more than offset the increase in imports of wool products, resulting in slightly lower domestic use of wool.

The raw wool content of imports of semi-processed and manufactured wool products during January-February 1961 totaled slightly lower than a year earlier due primarily to lower imports of woven wool fabric. Beginning January 1, 1961, the tariff duty on woven fabrics was changed. Quotas no longer apply--thus imported fabrics come into this country at the same rate throughout the year, and not at a lower rate until such time as the quota has been filled, as in the past several years. This will probably distribute the imports of woven fabrics more uniformly throughout the year. Imports of wool manufactures will probably be larger in 1961 than in 1960. The raw wool content of exports of wool manufactures during January-February 1961 was approximately the same as in those months in 1960. They can be expected to be about the same in 1961 as 1960.

Mill consumption of raw wool totaled 58.3 million pounds, scoured basis, during the first 2 months of 1961, 19 percent less than a year earlier. Apparel wool mill consumption during January-February 1961 totaled 34.8 million pounds compared with 40.9 million pounds of a year earlier. The seasonally adjusted average weekly rate of apparel wool mill consumption in February 1961 was 4,351 thousand pounds, 3 percent more than in January, but 12 percent less

than in February 1960. Mill use of carpet wool during the first 2 months of 1961 amounted to 23.5 million pounds compared with 31.5 million pounds in 1960. The seasonally adjusted average weekly rate of carpet wool mill use in February 1961 was 2,409 thousand pounds, 4 percent less than in January 1961 and 24 percent less than in February 1960.

Imports of raw wool for mill consumption amounted to 39.8 million pounds, clean content, during January-February 1961 compared with 42.1 million pounds in 1960. Dutiable wool imports totaled 13.4 million pounds, 20 percent less than the first 2 months a year ago. Imports of duty-free wool amounted to 26.4 million pounds in January-February 1961, 4 percent more than the corresponding period in 1960.

TOBACCO

The demand for cigarette tobaccos is expected to continue strong in the coming season. Cigarette output probably will reach a new high in 1961. The record 1960 output of cigarettes at 507 billion was $3\frac{1}{2}$ percent above 1959. The 1960 output was divided about 51 percent filter tips, and 49 percent non-filter tips, the reverse of the 1959 percentages. The trend towards filter tip cigarettes appears to have slowed appreciably, compared with the market shifts in several other recent years.

Cigar and cigarillo consumption at 7.1 billion in 1960 gained about 1 percent over 1959, in contrast with a 7 percent gain from 1958 to 1959. The reduction in rate of increase may be attributable to recessionary influences in the latter part of 1960, and to State taxation which affected a few populous States. Consumption of cigars in 1961 as a whole is expected to top last year's figure.

The consumption of smoking tobacco in pipes and use of snuff increased a little from 1959 to 1960, but use of chewing tobacco continued to decline.

U. S. exports of unmanufactured tobacco in 1961 may be a little below those of 1960. Contributing to this likelihood are the improved stocks position of some major importing countries, increased production in competitive foreign areas, and various barriers against tobacco imports from the U. S., which exist in many foreign markets. In calendar 1960, declared exports of leaf tobacco at 495 million pounds (556 million farm-sales weight equivalent) were $6\frac{1}{2}$ percent above 1959, when they were lowest in 5 years. The declared value of unmanufactured tobacco exports in 1960 at \$378 million was a record high.

The 1961 crops of the kinds of tobacco eligible for price support will be supported at the same level as in 1960. The support levels for tobacco were determined in accordance with legislation passed in February 1960; including 1961, they will have been identical for 3 consecutive crops.

Based on farmers' intentions as of March 1, flue-cured tobacco acreage will be the same as last year. Unless last year's record high yield per acre is duplicated, this year's production will be below last year's. Carryover on July 1 may be slightly above a year earlier, but total 1961-62 supplies may be a little below 1960-61.

Based on intended acreage and on yield per acre assumed to equal the average of recent years, the 1961 burley crop will be about 7 percent above the

volume marketed last season. Farm allotments were increased 6 percent, and intended acreage largely reflects this increase. Carryover of burley is likely to be appreciably lower than last year, and total supplies for 1961-62 may be a little less than for 1960-61.

Auctioning of the 1960 crop of Maryland tobacco begins April 25. The 1960 crop is estimated to be 5 percent larger than the 1959 crop, but, due to the smaller carryover, the total supply is one of the smallest in 10 years. Based on March 1 intentions, the 1961 Maryland tobacco acreage is 4 percent above last year.

Based on prospective acreages and average yields of recent years, the 1961 production of the fire-cured, dark air- and sun-cured tobaccos will be larger than in 1960. However, carryovers seem likely to be down some, so that total supplies for 1961-62 may be smaller than for 1960-61.

Acreage and production of cigar filler tobacco in Pennsylvania--the major filler producing area--is likely to be lower than last year, but an increase is indicated in the Ohio filler area.

In the Connecticut Valley, acreage and production of the cigar binder types probably will be down about a fifth from 1960, and the smallest on record. In Wisconsin the acreage of binder types may be above 1960, but if yields should be near the average of recent years, production would be about the same as last year.

Based on March 1 indications the acreage of the cigar wrapper types will be lower than in 1960, and production seems likely to be down some. However, the carryovers on July 1 will be up to a new high and total supplies for 1961-62 may also reach a new high.

ECONOMIC FACTORS AFFECTING AGRICULTURE, 1929, 1939, 1941 and 1947-60

Item	Unit or base	1929	1939	1941	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960 ^p
Industrial production, total ^{1/}	1957=100	38	38	56	65	68	64	75	81	84	91	85	96	99	100	93	105	108
Final products	do.	---	---	---	65	67	65	74	79	85	91	87	95	99	100	95	107	111
Consumer goods	do.	---	---	---	70	72	71	82	81	83	88	87	97	99	100	99	110	115
Autos	do.	---	---	---	66	69	68	86	76	69	87	81	113	93	100	83	103	117
Equipment, including defense	do.	---	---	---	53	56	50	54	75	90	96	85	91	99	100	87	100	103
Materials	do.	---	---	---	66	69	64	75	82	83	91	84	97	100	100	91	104	106
Total outlay for new construction ^{2/}	Bil. dol.	10.8	8.2	12.0	17.9	23.2	24.2	30.0	32.7	34.7	37.0	39.4	44.2	45.8	47.8	48.9	56.1	55.2
Private residential	Bil. dol.	3.6	2.7	3.5	7.5	10.1	9.6	14.1	12.5	12.8	13.8	15.4	18.7	17.7	17.0	18.0	24.5	22.0
Total civilian employment ^{3/}	Millions	47.6	45.8	50.4	57.8	59.1	58.4	59.7	60.8	61.0	61.9	60.9	62.9	64.7	65.0	64.0	65.6	66.7
Nonagricultural	do.	37.2	36.1	41.2	49.6	51.2	50.4	52.3	53.7	54.2	55.4	54.4	56.2	58.1	58.8	58.1	59.7	61.0
Unemployed	do.	1.6	9.5	5.6	2.4	2.3	3.7	3.4	2.1	1.9	1.9	3.6	2.9	2.8	2.9	4.7	3.8	3.9
Income:																		
Nonagricultural payments ^{2/}	Bil. dol.	77.7	67.1	88.0	172.8	189.2	192.1	211.3	237.0	254.3	271.5	273.8	295.0	317.9	336.1	342.6	367.6	388.1
Production-worker payrolls ^{4/}	1947-49=100	35.0	29.9	49.3	97.7	105.1	97.2	111.7	129.8	136.6	151.4	137.7	152.9	161.4	162.7	148.7	167.2	170.2
Weekly earnings of production workers in manufacturing ^{4/}	Dollars	25.03	23.86	29.58	49.97	54.14	54.92	59.33	64.71	67.97	71.69	71.86	76.52	79.99	82.39	83.50	89.47	90.91
Durable	do.	27.22	26.50	34.04	52.46	57.11	58.03	63.32	69.47	73.46	77.23	77.18	83.21	86.31	88.66	90.06	97.10	98.25
Nondurable	do.	22.93	21.78	24.92	46.96	50.61	51.41	54.71	58.46	60.98	63.60	64.74	68.06	71.10	73.51	75.27	79.60	81.33
Agricultural trade: ^{5/}																		
Domestic exports	Bil. dol.	1.7	.7	.7	4.0	3.5	3.6	2.9	4.0	3.4	2.8	3.1	3.2	4.2	4.5	3.9	4.0	4.8
Imports for consumption	Bil. dol.	2.2	1.1	1.7	2.8	3.1	2.9	4.0	5.2	4.5	4.2	4.0	4.0	4.0	4.0	3.9	4.1	3.8
Prices: ^{4/}																		
Wholesale prices, all commodities	1947-49=100	62	50	57	96	104	99	103	115	112	110	110	111	114	118	119	120	120
Commodities other than farm and food	do.	66	58	64	95	103	101	105	116	113	114	114	117	122	126	126	128	128
Farm products	do.	59	36	46	100	107	93	98	113	107	97	96	90	88	91	95	89	89
Food processed	do.	58	43	50	98	106	96	100	111	109	105	105	102	102	106	111	107	108
Consumer price index	do.	73	59	63	96	103	102	103	111	114	114	114	114	116	120	124	125	126
Food	do.	66	47	52	96	104	100	101	113	115	113	113	111	112	115	120	118	120
Prices received by farmers ^{6/}	1910-14=100	148	95	124	276	287	250	258	302	288	255	246	232	230	235	250	240	238
Crops	do.	135	82	108	263	255	224	233	265	267	240	242	231	235	225	223	221	221
Livestock and products	do.	159	107	138	288	315	272	280	336	306	263	249	234	226	244	273	256	252
Prices paid, interest, taxes and wage rates ^{6/}	1910-14=100	160	123	133	240	260	251	256	282	287	277	277	276	278	286	293	297	299
Items used in living	do.	154	120	130	237	251	243	246	268	271	269	270	270	274	282	287	288	290
Items used in production	do.	146	121	130	224	250	238	246	273	274	256	255	251	250	257	264	266	265
Parity ratio [#]	do.	92	77	93	115	110	100	101	107	100	92	88	84	83	82	85	81	80
Government purchases of goods and services ^{2/}	Bil. dol.	8.5	13.3	24.8	28.4	34.5	40.2	39.0	60.5	76.0	82.8	75.3	75.6	79.0	86.5	93.5	97.1	99.6
Federal (less Government sales)	do.	1.3	5.2	16.9	15.6	19.3	22.2	19.3	38.8	52.9	58.0	47.5	45.3	45.7	49.7	52.6	53.3	52.3
State and local	do.	7.2	8.2	7.8	12.7	15.2	17.9	19.7	21.7	23.2	24.9	27.7	30.3	33.2	36.8	40.8	43.9	47.3

^{1/} Federal Reserve Board. ^{2/} U. S. Department of Commerce. ^{3/} U. S. Department of Labor, old definitions used, 1929-41. ^{4/} U. S. Department of Labor. ^{5/} U. S. Department of Agriculture, Foreign Agricultural Service. ^{6/} U. S. Department of Agriculture, Statistical Reporting Service.

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